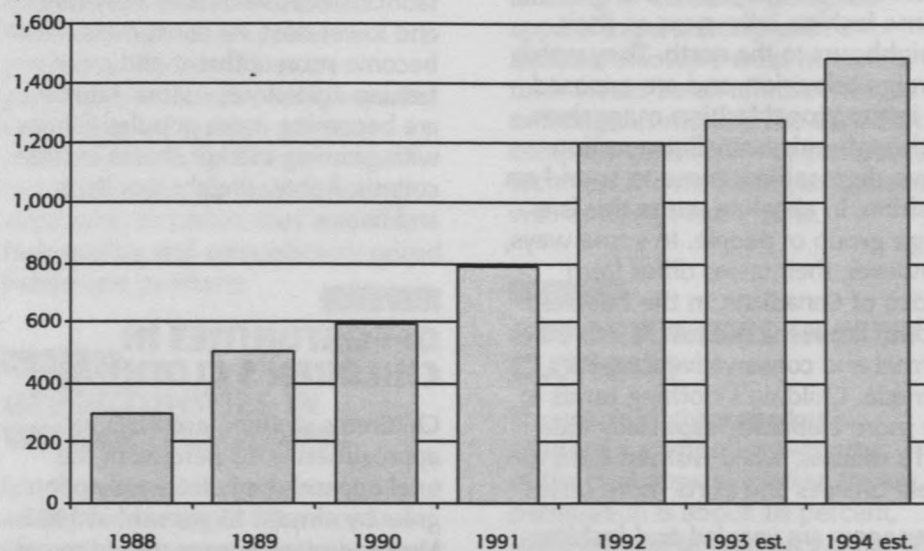


Apparel Imports into Mexico, 1988-1994

(US \$ millions)



Source: Statistics Canada World Trade Database.

Many American exporters are now establishing their own facilities in Mexico or elsewhere in Latin America. While Korean producers have also expressed some interest, their work practices and style of management is not always compatible with the Mexican way of doing things. So far, Korean investment has been directed to Honduras, Guatemala and El Salvador, all of which have access to American and Mexican markets due to the Caribbean Basin Initiative (CBI).

Foreign firms have also been moving to establish licensing agreements with Mexican manufacturers. In particular, a number of big-name designers have recently licensed their products for manufacture in Mexico.

RETAILERS

There are about 50,000 retail apparel stores in Mexico. More than 20 percent are located in Mexico City. Competition has increased dramatically over the past few years and retailing is undergoing dramatic transformations for a variety of reasons.

- **Decline of family stores.** Supermarkets and department stores have increased efficiency and improved merchandising. They are now cutting into the traditional market share of the family stores which have dominated the retail market.
- **Emergence of shopping malls.** New American-style mall developments are springing up all over the country. Most of the large chains are pursuing joint ventures with foreign retailers. Some of these new developments have been slow to prosper, and some observers believe the three major urban markets are saturated.
- **Expansion of national chains.** Retailers are now seriously looking at the smaller and less affluent centres in Mexico. *Sears de México* and *El Puerto de*

Mexican Apparel Imports from the World, 1993

Average Annual Rate of Change, 1991-1993

Commodity

US \$ millions Growth in percentage

Commodity	US \$ millions	Growth in percentage
trousers, breeches etc. of textile fabrics	280	30
other outer garments of textile fabrics	200	16
shirts, men's, of textile fabrics	161	57
undergarments, knitted or crocheted of wool	144	40
jerseys, pullovers, twinsets, cardigans, knitted	95	66
other outer garments & clothing, knitted	81	23
corsets, brassieres, suspenders and the like	62	5
articles of apparel & clothing accessories, of plastic	61	17
articles of apparel & clothing accessories, of leather	31	27
coats and jackets of textile fabrics	31	74
clothing accessories of textile fabrics	25	27
overcoats and other coats, men's	24	47
dresses, women's, of textile fabrics	24	37
skirts, women's, of textile fabrics	15	26
suits, men's, of textile fabrics	15	18
clothing accessories, knitted or crocheted, n.e.s.	14	63
headgear and fittings thereof, n.e.s.	14	2
suits & costumes, women's, of textile fabrics	12	45
fur clothing, articles made of fur skins	11	122
dresses, skirts, suits etc., knitted or crocheted	9	-8
undergarments, excluding shirts, of textile fabrics	6	37
undergarments, knitted, of synthetic fibres	0	na
Grand Total	1,313	30

Note: Commodities are sorted in descending order of the total values of imports in 1993. Figures based on SITC classification.

Source: Statistics Canada World Trade Database.